

THE PRESIDENT'S INTELLIGENCE CHECKLIST

16 AUGUST 1961
~~TOP SECRET~~

THE SITUATION IN BERLIN

the population in general remained cowed in the face of Soviet-5
East German force. In one district, however--Potsdam--party officials
are confronted by a more recalcitrant population, particularly in areas
adjacent to Berlin, while in Schwerin party officials are attempting
to overcome "softness" in some of their border guard units. No change
in the previously reported disposition of Soviet troops around Berlin
or in East Germany has been noted. Yesterday afternoon, US officials
noted a reduction in security forces at all crossing points into West
Berlin and in East Berlin itself.

The East German regime yesterday introduced new measures designed to give it better control over the entry of West Berliners and West Germans into East Berlin. West Berliners will be required to secure permits for their vehicles, while West Germans now may secure permits at only two sector border crossing points, instead of the four originally specified in the 13 August decree. Although these restrictions apparently are not applicable to the three Western occupying Powers in West Berlin, they nevertheless violate--as do the 13 August decrees--the freedom of movement guaranteed in the Four Power agreements related to Berlin. In an apparent effort to discourage Bonn from taking economic countermeasures, the East Germans have threatened to cut off West German freight traffic to West Berlin, if Bonn interrupts interzonal trade.

There are signs that the calm of the West Berlin population may be giving way to considerable nervous tension. The people are not afraid but appear to be excited and uncertain about the future. The public rally scheduled for today in West Berlin is designed to permit the population to let off steam and also to exert a psychological effect on Berliners in bolstering their confidence in the leadership. Police are making full preparations to control the crowds.

1. Political deterioration
in Singapore

Prime Minister Lee Kuan Yew, whose political position has eroded greatly in recent weeks, has blamed the UK Commissioner for breaking up the ruling political party and leaving the government with a one vote majority in the national assembly. Lee apparently is using British-baiting as a strategem to regain his anti-Colonial image for the electorate. The British High Commissioner in Malaya has told London the only way to halt the dangerous drift toward a Communist-dominated government is to arrest several high ranking Communists in Singapore. The UK Commissioner in Singapore is reluctant for the British to take responsibility for the arrests. The Malayan Prime Minister is in a hostile mood over the present political situation in Singapore

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2. Laotian developments

a) Talks between Laotian factions resumed Monday at Namone. The Pathet Lao attacked the government's proposal that several names be submitted to the King for the premiership and held to the position that only a government under Souvanna would be acceptable. 50X1
The Souvanna delegate proposed a cabinet of eight neutralists and three or four each from the Pathet Lao and the Boun Oum - Phoumi group. He hinted, however, that not all the neutralists need be from the Xieng Khouang group, thus leaving open the door for moderates now nominally supporting the Boun Oum government. 50X1
b) The pro-Souvanna military commander in Phong Saly Province asked his headquarters' OK to bring back two battalions of his troops which are in Communist China. Earlier we had information that about 1500 of his troops were training "abroad." 50X1

For The President Only—Top Secret

3. Brazil urges other Latin American countries to send observers to non-aligned nations conference

Brazil, which attended the preparatory meeting for the conference (to be held in September in Belgrade) as an observer, is planning to go to the conference itself in the same capacity. Rio is now pressing Argentina, Chile, Colombia, Ecuador, and Mexico to follow suit, arguing that "the interests defended by" Cuba (a full participant) "may be presented by misinformed propaganda as those espoused by all Latin America." Observers from other Latin American countries would, Brazil points out, clarify their "true positions" to the neutralist countries. We have information that Ecuador and Bolivia may send observers but that Mexico is not planning to do so.

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4. Mikoyan's interview with
Japanese Foreign Affairs
Minister

The Soviet First Deputy Premier, visit-
ing Japan "unofficially" until next
Tuesday, paid a courtesy call Monday
on Foreign Minister Kosaka.

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NOTES

- A. One of the Air Jordan planes chartered by the UAR for cargo flights to Stanleyville returned to Cairo 10 August with five Congolese aboard who were slated to go on to the USSR for military training. [REDACTED] 50X1
- B. Marshal Konev, assigned last week as commander of Soviet forces 50X1 in Germany, is reported to have assumed command of a new grouping called the "Western Front of Warsaw Pact Forces" comprised of Soviet forces in Germany, the East German Army, and Czech forces. [REDACTED]

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UNITED STATES INTELLIGENCE BOARD

Berlin Subcommittee Report--25 July to 14 August

1. The situation in East Berlin and East Germany has reached a critical stage. If the recently introduced control measures remain in effect and are vigorously enforced, increasingly severe local demonstrations cannot be discounted. On the other hand the regime's extensive display of force and determination together with its initial success in preventing a violent reaction probably will deter any such popular outbursts and prevent a large-scale uprising. In contrast to the situation in June 1953, the regime has taken the initiative and the East Germans and the Soviets are making an all out effort to intimidate the populace from starting any kind of uprising.

2. We believe that barring developments in East Germany which could force a change in Soviet tactics, Khrushchev will adhere to his previous position and timetable and continue to seek negotiations prior to a separate treaty. However, Soviet willingness to endorse and support the new control measures may reflect a greater willingness to conclude a separate peace treaty with East Germany without prior negotiations with the West. Should events in East Germany and Berlin reach the point where direct Soviet military intervention is required, the USSR might consider a separate peace treaty as one way of salvaging some vestige of East German sovereignty and authority.